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13 July 1979

No. 1914

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS



FOREIGN BROADCAST INFORMATION SERVICE

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STATUS OF YUGOSLAV-BULGARIAN TRADE DETAILED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 1 Jun 79 p 5

[Article by Zdravka Cicmirko-Pokrajcic]

[Text] The deliveries in the first quarter of this year give no guarantee that the planned volume of 253 million dollars will be realized.

The long-range trade agreement between Yugoslavia and Bulgaria for 1976-1980 forecasts a total bilateral trade of \$1.3 billion. However, in the 1976-1978 period a total volume of trade of goods and services totaling \$573 million, or 44.1 percent of the volume predicted by the long-range agreement, has been realized. Of this, Yugoslav exports of goods and services amounted to \$263 million, and Bulgarian exports to \$310 million.

Such a realization of goods and services presently gives no guarantee that the total planned volume will be realized in accordance with the long-range agreement. In addition to the stagnation of trade in this period, a tendency toward unbalanced trade became evident in both 1977 and 1978 at the expense of Yugoslav exports into this neighboring country. The deficit in Yugoslav-Bulgarian trade in 1978 came to over \$52 million, which is 12 percent higher than the total Yugoslav exports of goods into Bulgaria in the past year.

Of Yugoslav exports into Bulgaria, in accordance with the agreed upon lists, the participation of machinery and equipment was 19 percent, raw materials and reproduction materials were 55 percent, consumer goods, agricultural products and foodstuffs 13 percent, services 13 percent, while of the Bulgarian exports, machinery and equipment participation was 22 percent, raw materials and reproduction materials 58 percent, consumer goods, agricultural products and foodstuffs 14 percent, and services 6 percent.

In the past year, there was no increased interest in the imports of machinery and equipment from Yugoslavia, so that only \$9 million of the planned \$21 million were realized.

Across the border trade also did not give the desired results in 1978. The difficulty lies in the fact that the Bulgarian side does not have at its disposal large quantities of merchandise which would be of interest to Yugoslav buyers while, on the other hand, the merchandise in which there is an interest on the Yugoslav side can be found in the so-called RK and DK regimes, which renders more difficult the possibility of developing this type of trade.

In view of the trends in Yugoslavia's trade with Bulgaria over the past 2 years, the talks for the conclusion of the protocol on the trade of goods and services for the year 1979 planned for greater exports from Yugoslavia. However, in spite of the relatively good concluding of business contracts, the realized volume of trade in goods and services in the first quarter of this year gives no guarantee that the planned volume of Yugoslav exports of \$230 million for 1979 will be realized. The trend of realization also indicates that the tendency toward unbalanced trade is continuing, so that the Yugoslav deficit without the services amounts to \$14.6 million and is greater by 48 percent in relation to the same period last year. Such an unbalanced trend in the trade of goods in the first quarter of this year could represent a serious problem for the realization of planned volume and could have a certain braking effect on the further development of goods trade between the two countries.

In view of this situation, it is absolutely necessary, among other things, for the Yugoslav organizations of associated labor to study the Bulgarian market more carefully in 1979, and to come forward with concrete proposals for the exports of Yugoslav goods; also, their approach must be unified.

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CSO: 2800

INTERNATIONAL AFFAIRS

YUGOSLAV-SOVIET MACHINE TOOL COOPERATION DISCUSSED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 16 May 79 p 12

[Text] The 11th session of the working group for bilateral cooperation between the SFRY and the USSR in the machine tool industry started in Skopje. The talks are held between the representatives of the Yugoslav MASINOSAVEZ and ALAT business associations of producers of machine tools and the Ministry of the Machine Tool Industry of the USSR. The Soviet delegation is headed by the deputy minister of the machine tool industry of the USSR.

The talks, which started with yesterday's plenary session and will end Thursday afternoon, will evaluate the present cooperation in this area, and there will also be concrete agreements in regard to the proposal for specialization of production, mutual deliveries of machine tool products, as well as on questions of scientific-technical cooperation in the 1981-1985 period.

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GOVERNMENT DECREE AIMS TO IMPROVE FOREIGN TRADE

Sofia DURZHAVEN VESTNIK in Bulgarian 8 Jun 79 pp 460-467

[Decree No 25 of the Bulgarian Council of Ministers of 22 May 1979 Concerning an Improvement in the Management of Foreign Trade Activities]

[Text] In carrying out the decisions of the BCP Central Committee concerning the consistent application of an economic approach in managing all the sectors and activities of the national economy, and in the aim of creating the necessary economic conditions for improving the efficiency of foreign trade activities

The Council of Ministers decrees:

Article 1. The approval of the Ordinance Governing Specific Rules for Managing the Operations of Foreign Trade Organizations.

Article 2. (1) The State Planning Committee and the Ministry of Foreign Trade each year from 1979 are to approve planning indexes for foreign trade prices for the commodity groups, and these indexes are to be announced to the ministries, other departments, economic and foreign trade organizations simultaneously with the control figures under the plan for the corresponding year.

(2) The use of the approved plan indexes for the foreign trade prices is compulsory for all planning bodies in setting the plan prices for imports and exports, the state planning quotas for foreign exchange earnings from exports and the limits on foreign exchange expenditures on imports, as well as the foreign exchange balances for the ministries and other departments.

(3) The State Planning Committee and the Ministry of Foreign Trade when necessary are to amend the approved plan indexes for the foreign trade prices of the corresponding commodity groups, when due to substantial changes in market and selling conditions the international prices have deviated more than 5 percent in comparison with the planned export and import prices. In these instances it is essential to correct the approved

value indicators for the state plan quotas for the exports and imports as well as the foreign exchange balances of the ministries and other departments, and they, in turn, are to correct the appropriate state plan quotas of the economic and foreign trade organizations.

(4) In fulfilling the value indicators for the foreign exchange earnings from exports derived from the realization of higher prices on the international market, the ministries, other departments, economic and foreign trade organizations are not freed from the responsibility of fulfilling the compulsory physical export volumes set for them by the plan.

(5) The ministries and other departments are obliged to provide compensation for the increased foreign exchange expenditures for imports stemming from an increase in current international prices in comparison with the planned, when the quantities of the imported raw products, materials and supplies are reduced, or correspondingly they increase the foreign exchange earnings from the exporting of their products, without disrupting the foreign exchange balances set for them. In exceptional instances the State Planning Committee, the Ministry of Foreign Trade and the Bulgarian National Bank may permit individual ministries and other departments to exceed the planned limit for foreign exchange import expenditures, but only within the limits of the approved foreign exchange balance of the nation.

(6) The economic ministries and the other departments, with the permission of the Bulgarian National Bank, can deviate up to 10-15 percent from the planned foreign exchange balances during the first three quarters, with the guaranteed fulfillment of the annual foreign exchange balance approved for them, for the purpose of ensuring the prompt importing of the necessary raw products, materials, supplies and other commodities for production purposes. The Bulgarian National Bank, with the agreement of the State Planning Committee and the Ministry of Foreign Trade, prior to 15 May 1979 is to issue an ordinance governing the conditions and procedure for granting such permission.

Article 3. Prior to 30 May 1979, the leaders of the corresponding ministries and other departments are to approve:

1. The plan indexes for the import and export prices in 1979--by the chairman of the State Planning Committee and the minister of foreign trade;
2. The standards for the maximum amount of commission earnings on exports and imports--by the minister of finances, the chairman of the State Planning Committee and the minister of foreign trade;
3. The ordinance for calculating the prices of imported goods--by the chairman of the State Planning Committee, the minister of finances, the minister of foreign trade and the minister of supply and state reserve;

4. The minister of finances and the minister of foreign trade are to set:

- a) The standards for determining the participation of the foreign trade organizations in the profits of the economic organizations obtained as a result of the high return on exports;
- b) The standards for foreign exchange expenditures on official trips, support for the overseas personnel and the other internal foreign exchange expenditures of a foreign trade organization;
- c) The standards for the minimum deductions for the expansion and technical improvement fund, the reserve fund, the fund for sociodomestic and cultural measures, and for the foreign exchange and leva deductions for the service activity and advertising and exhibits funds;

5. The minister of foreign trade with the agreement of the Ministry of Finances and the Committee on Labor and Wages approves the instructions governing the organization of wages and internal economic accountability in the foreign trade organizations.

Article 6. The minister of foreign affairs, the minister of foreign trade and the minister of finances prior to 30 May 1979 are to issue instructions governing the activities of the overseas personnel on commercial and economic questions.

Article 7. The ministries, other departments, economic and foreign trade organizations prior to 15 June 1979 are to bring the 1979 plans of the foreign trade organizations into conformity with the requirements of the Ordinance Governing Specific Rules for Managing the Operations of Foreign Trade Organizations, in ensuring its consistent application as of 1 July 1979.

Concluding Provision

Sole Paragraph. Article 14 of the Regulation Governing the Application of the Foreign Trade Law is to be repealed (promulgated in DURZHAVEN VESTNIK, No 16 of 1976; amended No 66 of 1976).

Chairman of the Council of Ministers:
St. Todorov

Chief Secretary of the Council of Ministers:
Iv. Shpatov

Ordinance Governing Specific Rules for Managing the Operations of Foreign Trade

Section 1: General Provisions

Article 1. This ordinance governs the specific rules for managing the operations of the foreign trade organizations and their relationships with the ministries, other departments and economic organizations. It concretizes the principles of Decree No 29 of the BCP Central Committee and the Council of Ministers of 15 June 1978 (DURZHAVEN VESTNIK, No 51 of 1978), the Regulation Governing the Basic Rights and Responsibilities of Economic Organizations (DURZHAVEN VESTNIK, No 51 of 1978) and the Ordinance Governing Supply, Sales and Trade Activities of Economic Organizations (DURZHAVEN VESTNIK, No 87 of 1978), in accord with the particular features in the activities of the foreign trade organizations.

Section 2: Planning and Contracting

Article 2. (1) The counterplans of the foreign trade organizations are to be compiled on the basis of the following:

1. Control figures;
2. The plan indexes of import and export prices and the standards for the maximum amount of commission earnings;
3. Foreign trade contracts concluded with other countries and foreign firms;
4. The results of studying international markets and the demands of foreign consumers on the exported product;
5. Measures for developing the production of new or improved export products, for the development of international cooperation [subcontracting], and for increasing export effectiveness, and so forth as provided for in the engineering plans of the economic organizations and divisions served by them.

(2) The control figures and the state plan quotas, the standards and limits which have been adjusted in the process of compiling the counterplans are set for the foreign trade organizations for the following indicators:

1. The volume of foreign exchange earnings from exports, reexport and other specific foreign trade operations in terms of the trade areas, including the compulsory physical indicators;
2. The volume of imports in foreign exchange leva and the compulsory physical indicators in terms of the trade areas;
3. The number of personnel (the limit or standard in relation to a certain measurement of end result);
4. The limit on foreign exchange expenditures (in terms of the trade areas) for official trips, support of the overseas personnel and other internal expenditures.

(3) The control figures and state plan quotas, the standards and limits are to be set for the foreign trade organizations by their immediate superior body: the ministry, another department or economic organization, and these are to be approved first by the following:

1. By the Ministry of Foreign Trade for the quotas relating to the foreign exchange earnings from exports, reexport and other specific foreign trade operations, including the compulsory physical indicators, when:

a) The foreign trade organization serves economic organizations from different ministries or other departments;

b) The foreign trade organization is entrusted with the tasks of foreign exchange earnings from reexport or other specific foreign trade operations;

2. The Ministry of Foreign Trade, the Ministry of Supply and State Reserves and the ministry which balances the corresponding product for the quotas relating to the import volume and obligatory physical indicators;

3. The Ministry of Foreign Trade and the Ministry of Finances for the limit on foreign exchange expenditures.

(4) The foreign trade organizations participate without fail in the elaboration of the engineering plans and counterplans of the economic organizations and their divisions, and submit their own developments and proposals for increasing the volume, improving the structure, quality and technical level of the products along with the calculations and background studies for their effectiveness.

Article 3. (1) The control figures and the state plan quotas for foreign exchange earnings and the compulsory physical indicators for exports (without reexports and other specific foreign trade operations) as well as for foreign exchange and the compulsory import physical indicators approved for the foreign trade organizations must conform to the state plan quotas of the economic production organizations served by them.

(2) For that portion of imports and exports for which compulsory physical volumes are not set, the specific types and quantities of products are to be agreed upon by the foreign trade organizations with the corresponding economic organizations.

(3) When the annual protocols on trade between the socialist countries stipulate substantial changes in the volume, physical assortment, import and export prices, delivery dates and other conditions, in comparison with those stipulated in the state plan, the approved plan quotas of the economic and foreign trade organizations when necessary are correspondingly corrected.

Article 4. (1) The state planning quotas of the foreign trade organizations in terms of imports and exports are adjusted in the process of compiling the counterplans on the basis of the concluded contract.

(2) When a foreign trade organization is part of an economic organization, it concludes contracts with the production divisions on the basis of the following which have been previously approved by the leader of the economic organization:

1. The bilateral compulsory quotas for the production of export products or import product;

2. The internal rules for specific relationships between the divisions involved in supply, sales and commercial activities and the production divisions, including the procedure and methods for seeking liability for mutually caused losses and missed income.

(3) Disputes involving the conclusion and fulfillment of contracts (with the exception of price disputes) are resolved under the procedures of Article 10 of the State Arbitration Law.

(4) The foreign trade organizations can conclude contracts for the exporting of products outside their approved area of specialization under the procedures of Article 27, Paragraph 3 of the Regulation Governing the Basic Rights and Responsibilities of Economic Organizations.

(5) The foreign trade operations can organize independent economic activities related to their basic area of activity, including processing, packaging, transportation and so forth.

Article 5. (1) The foreign trade organizations carry out imports and exports on a commission basis on their own behalf and for the account of economic organizations which are the producers or the direct purchasers.

(2) With the reciprocal agreement of the organizations which are the producers or the owners of the product and in other cases provided for by the enforceable enactments, the foreign trade organizations can carry out imports and exports at their own expense. The products exported in this manner are paid for at current prices (wholesale or purchase) or at contractual prices.

Article 6. (1) The foreign trade organizations are the parties in contracts with foreign partners. They deliver the imported products to the economic purchaser organizations at the calculated prices.

(2) With the nonfulfillment of contractual obligations, the foreign trade and economic organizations or their divisions, when they are a party to a contract, are obliged to pay the missed income, penalties and fines to the owed party, both in leva and in foreign exchange.

(3) When under governmental agreements the liabilities of contracts with foreign partners for the nonfulfillment of contractual obligations are less than the liabilities under domestic contracts according to the enforceable enactments in effect in the nation, the foreign trade organizations are liable to the economic organizations or their divisions up to the amount of a fine stipulated under a contract with a foreign partner and increased by 20 percent. The producer or purchaser organizations can reduce the amount of the increase when they feel that the foreign trade organization has made the necessary efforts to fulfill the contracts by the foreign parties.

(4) When the nonfulfillment of contractual obligations is the fault of a ministry or department which balances the corresponding product, it bears full responsibility for the fines, penalties and lost income.

(5) If the total under Paragraph 3 cannot cover the full amount of the penalty, fines or lost income of the producer or purchaser economic organizations, the difference up to this amount is covered sequentially by the reserve fund of the foreign trade organization and the corresponding ministry or other department to which it is directly subordinate. In the event that the funds of this fund are insufficient, the difference can be partially or completely compensated for out of the funds of the Ministry of Foreign Trade or from the state budget, under the conditions and by the procedures stipulated by the minister of finances and the minister of foreign trade.

Article 7. (1) The limit for foreign exchange expenditures in the various trade areas includes the internal expenditures of the foreign trade organization related to foreign currency expenditures for the sending of trade workers abroad and for the support of the overseas personnel. The limit does not include the foreign exchange expenditures on insurance and transportation which are calculated in the delivery price of the good and are at the expense of the purchaser.

(2) The limits for the foreign currency expenditures in the foreign trade areas are set on the basis of the standards for the commodity groups to the volume of exports, and these are set by the Ministry of Finances and the Ministry of Foreign Trade.

Section 3: Commissions and Prices

Article 8. (1) The foreign trade organizations receive commissions for the imports and exports carried out by them and the commission is paid by the producer or purchaser economic organizations. The specific amount of the commissions is agreed upon within the limits of the maximum standards for the commodity groups and the import and export areas as approved by the Ministry of Finances, the State Planning Committee and the Ministry of Foreign Trade.

(2) With increased and special demands upon the foreign trade organization (the urgency of the transaction, the scarcity of imported goods, a single order, bad market conditions, particular market features, and so forth) the producer or purchaser economic organization can pay an additional commission to the foreign trade organization above the approved rate for its maximum amount.

(3) The amount of owed export commissions is set on the basis of the equivalent value of the foreign exchange earnings from the exported products, and for imports on the basis of the value of the imported products in leva according to the plan prices.

Article 9. (1) The plan prices for imports and exports are determined jointly by the exporter or purchaser organization and by the appropriate foreign trade organization in compiling the counterplan on the basis of the plan indexes of foreign trade prices which are set annually as a standard for the commodity groups and for the trade areas by the State Planning Committee and the Ministry of Foreign Trade.

(2) The drafts of the plan indexes of foreign trade prices are elaborated by the Ministry of Foreign Trade and the Main Price Administration Under the State Planning Committee with the participation of the foreign trade and economic organizations on the basis of the long- and short-term forecasts for trends in the changes of foreign market conditions, the concluded international trade agreements and other information.

(3) The plan prices for the importing and exporting of specific goods from the appropriate commodity group can differ from the average planned price set for the given commodity group under the procedure of Paragraph 1, depending upon the quality of the good, the season and other factors.

(4) With substantial changes in market and selling conditions on the international markets which have caused a permanent deviation of more than 5 percent in the international prices, in comparison with the planned, the State Planning Committee and the Ministry of Foreign Trade can alter the approved plan indexes for the foreign trade prices. In these instances the producer and purchaser organizations are obliged to respectively adjust the plan prices for imports and exports.

Article 10. (1) The actual selling prices and the other conditions of the contract between the foreign trade organizations and their partners abroad are coordinated ahead of time with the economic organization which produces the export goods. Without its agreement the foreign trade organization cannot sign contracts for the exporting of its products except for instances when the products are exported at its own expense.

(2) The foreign trade organizations can deviate from the established plan prices and other export conditions without the agreement of the producer organizations within the limits of the powers stipulated in the contracts

concluded between them. Negative deviations beyond the contractual powers are approved without fail on a routine basis by the producer organizations.

Article 11. (1) The foreign trade organizations receive incentives for the following: For the overfulfillment of the state planning quota for foreign exchange earnings from imports (including reexporting and other foreign trade operations), for a high return on exports, and for improving the planned import and export price indexes.

(2) Incentives for the high return from exports are paid only for the exporting of commodities with a return over 110 percent of the cost base. Incentives are paid by the participation of the foreign trade organization in the profits realized by the producer organization. The owed portion of profits for the foreign trade organization is determined by the rates approved by the Ministry of Finances and the Ministry of Foreign Trade for the commodity groups.

(3) An improvement (deterioration) in the export price index is established for the commodity groups as the ratio of the annual export volume according to the selling prices to its value according to the plan prices. An improvement (deterioration) in the import price index is determined for the commodity groups as the ratio of the annual import volume according to the plan prices to their volume according to the actually realized import prices. The amount of the surpayment (penalty) is agreed upon between the foreign trade organization and the corresponding economic organization.

Article 12. (1) The calculated prices at which the foreign trade organizations deliver the imported product to the purchaser organizations are formed on the basis of the leva equivalent of the actual foreign exchange purchase prices, the transport costs paid by the foreign trade organization, insurance, customs, import fees and other types of expenditures and also the commissions owed it.

(2) Relationships with the budget on the question of the payments of price differences, the turnover tax, customs, the receiving of subsidies, bonuses and so forth for imports are settled by the purchaser organizations and with importing at own expense, by the appropriate foreign trade organization.

Section 4: Financing and Crediting

Article 13. (1) The producer organizations directly assume the end foreign exchange and financial results from importing and exporting carried out at their expense.

(2) A foreign trade organization directly assumes the end financial results from the importing and exporting carried out at its own expense.

(3) Imports carried out at the expense of the purchaser organization are carried out within their foreign exchange limits or against the foreign exchange put up by them.

Article 14. The banks credit foreign trade operations and activities of the foreign trade and economic organizations under the conditions and according to the procedures established by the enforceable enactments.

Article 15. The foreign trade organizations finance their activities by their own funds and by bank loans. The sources for their own funds include: The received commissions, income from foreign trade operations carried out at own expense, and other specific income and money funds.

Article 16. (1) The foreign trade organizations form and distribute total income in drawing up quarterly plans for accumulation from the start of the year according to the appendix.

(2) The amount of total income is established as the difference between all income and expenditures (without wage expenditures).

(3) Income includes all types of commissions, the positive result of foreign trade operations carried out at own expense, and other specific income.

(4) Expenditures include all material and other monetary outlays, including the leva equivalent of foreign exchange expenditures abroad (without wage expenditures).

Article 17. (1) The following money funds are formed in the foreign trade organizations: Expansion and technical improvement [RTU], reserve, socio-domestic and cultural measures [SBKM], service activities, advertising and exhibits, wages, foreign exchange and inventions and rationalization.

(2) The collecting and expending of money in the funds are carried out according to the procedures and from the sources indicated in the Regulation Governing the Financing of Economic Operations (DURZHAVEN VESTNIK, No 64 of 1978), as follows:

1. Amortization deductions are channeled completely into the RTU fund and are not to be centralized within the economic complex (ministry or other department);

2. The foreign exchange fund receives:

a) One percent of the realized current foreign exchange earnings from foreign trade operations at own expense, including reexport;

b) Fifty percent of the foreign exchange earnings above the approved state plan quota and realized from foreign trade operations at own expense, including reexport;

c) The entire savings of foreign exchange in comparison with the limit set for the foreign trade organization by the state plan quotas;

3. The money of the foreign exchange fund is spent for the following: Foreign exchange compensation to contractual partners for the nonfulfillment of contractual obligations; payment of demurrage caused by the foreign trade organization; assistance to the economic organizations for the expansion of production, for improving the quality and raising the efficiency of export products; additional foreign exchange expenditures abroad above the approved limit; foreign exchange expenditures for the RTU fund;

4. Deductions from total income for the RTU, reserve and SBKM funds are made at rates set by the counterplans of the foreign trade organizations. These rates cannot be less than the minimum rates for the corresponding funds as approved by the minister of finances and the minister of foreign trade, and are set as follows:

a) In percent of total income for the RTU and reserve funds;

b) As a limit of the funds per person of the entire personnel for the SBKM fund; according to the counterplan and report the deductions can be increased a maximum of up to 10 percent with the financial possibilities;

5. The money of the reserve fund is expended for: Covering the shortage of the wage fund under conditions provided for in this ordinance; covering leva losses and harm related to the development of new markets or markets for new goods; covering the differences between the owed and received fines (under the procedure of Article 6, Paragraph 5); encouraging the expansion of production, improving the quality and raising the efficiency of export products. The cash of the reserve fund can be used also for paying the owed fines, penalties and losses for the nonfulfillment of contractual obligations, when money in the payment account is lacking. The used money is restored to the reserve fund from the current income before the next deduction of money into the wage fund;

6. Deductions for the advertising and exhibits fund are made in foreign exchange and in leva according to differentiated rates established by the Ministry of Finances and the Ministry of Foreign Trade in relation to the realized foreign exchange and its leva equivalent.

Article 18. (1) A service activity fund is formed for the economic organizations which produce export goods. The deductions for the fund are made in foreign exchange and in leva according to differentiated rates set by the Ministry of Finances and the Ministry of Foreign Trade to the realized foreign exchange or its leva equivalent.

(2) When service activities are entrusted to a foreign trade organization, the economic organization turns over to it completely or in part the deductions owed the fund in foreign exchange and in leva.

Article 19. The fund for the development of territorial units receives one percent of total income. The money is paid as income of the obshtina people's council in the conurbation system where the headquarters of the foreign trade organization is located.

Article 20. The foreign trade organizations make payments to the superior organizations only when they have put more into their RTU, reserve and SBKM funds than should be according to the established minimum rates. The amount of the payments is set in a ratio of 1:1 of the amount deducted for the funds above the minimum rates.

Section 5: The Organization of Wages and Internal Economic Accountability

Article 21. (1) The wage fund in the foreign trade organizations is directly dependent upon the aggregate economic results and upon its entire economic activities; it is determined as the resulting amount by compiling a plan for the formation and distribution of total income.

(2) The wage fund is used to pay the labor remuneration of all the personnel of the foreign trade organization, including the leva equivalent of the labor remuneration for overseas personnel.

(3) The foreign exchange required for the wages of overseas personnel is purchased from the Bulgarian National Bank within the limits of the foreign exchange expenditures from the final wage fund.

Article 22. (1) The wage balance under the plan for the formation and distribution of total income can be used fully under the condition that it does not exceed the untaxed minimum set according to the procedure outlined in Article 23. When this balance is greater than the untaxed minimum, payments for the state budget are deducted from the difference according to the progressive scale approved by the Council of Ministers.

(2) When the wage balance according to the plan for the formation and distribution of total income is less than the untaxed minimum, deductions for the foreign exchange fund can be made in a reduced amount. In such instances the foreign trade organizations can pay the balance of the foreign exchange owed by them from the reserve fund or turn it over specifically to the economic producer organizations for increasing production, expanding assortment, improving the quality and raising the efficiency of export products.

Article 23. (1) The untaxed minimum for the wage fund is established as the actual number of personnel multiplied by the base average gross wages. As the base average gross wage they use the actually achieved wage in the preceding year increased (or reduced) appropriately as follows:

1. The increase (or reduction) of foreign exchange earnings from the exports per person in comparison with the quotas stipulated in the state plans;

2. An improvement (deterioration) of the planned import and export price indexes.

(2) Changes in the base average gross wages for factors outlined in the preceding paragraph are carried out according to the rates approved by the Council of Ministers.

(3) In determining the base average gross wage for 1979, the calculated average gross wage for 1978 is appropriately adjusted for the purpose of eliminating the influence of the committed overexpenditure of the wage fund.

Article 24. The resulting wage fund is distributed between the structural units of the foreign trade organizations and within them between the individual specialists and employees on the basis of the consistent application of the principles of internal economic accountability.

Article 25. The basic object of internal economic accountability in a foreign trade organization is the primary foreign trade unit, the office or group of specialists (including the specialists from overseas personnel) directly responsible for the preparation, concluding and realization of foreign trade deals.

Article 26. (1) Internal economic accountability is organized on the basis of indicators which reflect the contribution of the specialists, the structural units and the management personnel to increasing (or reducing) the total income of the foreign trade organization, in bearing in mind without fail the following:

1. The fulfillment of the quotas in the counterplan for foreign exchange earnings and for the compulsory physical volumes of imports and exports in terms of the trade areas;

2. An improvement (deterioration) in the planned import and export price indexes;

3. The return on exports.

(2) The indicators and conditions for the organization of internal economic accountability, including the quotas of the counterplan, are given without fail to each structural unit and to the individual operational foreign trade specialist.

Article 27. (1) In the aim of correctly organizing internal economic accountability, the income and expenditures of a foreign trade organization are accounted for individually for each transaction according to the estimate plans (working figures) using samples approved by the Ministry of Foreign Trade.

(2) The income portion of the estimate plan for each transaction shows the commissions with the surcharges (deductions) for improving (worsening) the plan import and export price indexes and for the effectiveness of exports, the collected penalties and fines under contract with the clients, and other income.

(3) The expenditure portion of the estimate plan of a transaction shows:

1. The direct material and other monetary outlays made specifically in line with carrying out the transaction, and including the actually paid penalties and fines for the nonfulfillment of contracts concluded for the purpose of implementing the transaction;

2. The indirect (general for the foreign trade organization) material and other monetary expenditures according to the rate in relation to income from commissions as set by the counterplan of the organization.

(4) The calculated total income obtained as a result of carrying out the transaction is determined as the difference between the income and expenditures calculated according to the procedures of the preceding paragraph. The calculated wage fund owed as a total for the foreign trade organization from the implementation of the transaction is obtained after subtracting from the calculated total income the deductions for compulsory payments and for the funds using the rate set in the counterplan.

Article 28. (1) The calculated wages owed to the individual foreign trade workers, the basic structural units, the management personnel and the functional and service units of the foreign trade organization are directly dependent upon their contribution to the formation of the total calculated income for all the realized transactions. The contribution is determined as follows:

1. For an individual foreign trade specialist (group of specialists), in bearing in mind the total income according to the estimate plans for all transactions directly prepared for and implemented by him;

2. For the leaders and personnel of the basic structural unit (office, bureau, and so forth), in subtracting the expenditures made by the unit above the normed amount set by the counterplan of the foreign trade organization from the total income realized by all the foreign trade specialists working in the given structural unit;

3. For the leadership, the functional and service units of the foreign trade organization, in subtracting the expenditures made generally for the organization above the normed amount set by the counterplan from the total income realized by the organization.

(2) The specific allocation of the calculated wage fund between the individual employee categories outlined in the previous paragraphs, depending

upon their contribution, is carried out according to standards approved by the internal rules for the organization of wages and internal economic accountability.

Article 29. (1) During the year the wages of the employees at a foreign trade organization are paid in advance. The final payment is made at the end of the year in accord with the actual economic results from economic activities in the organization within the limits of the money in the resulting wage fund determined by the annual plan for the formation and distribution of total income.

(2) The advance payment for auxiliary and service personnel is paid during the entire year on a level of the regular wages.

(3) The advance payment for management personnel and specialists (including also for the overseas personnel) is paid during the first two months of the quarter in an amount of 80 percent of the regular wage, and at the end of the quarter within the limits of the calculated wage for the personnel groups as determined according to the proceeding in the preceding article, but not more than the actually collected amounts in the resulting wage fund according to the plan for the formation and distribution of total income for the appropriate quarter. When money in the fund is lacking to pay the advance payment up to the amount of the regular wage, the shortage can be covered from cash in the reserve fund. In this instance the wages of management personnel are paid in a reduced amount proportionately to the shortage, but not less than 80 percent of the regular wage.

(4) When, in the final payment at the end of the year it turns out that the resulting wage fund is more or less than the calculated, the calculated individual gross wages of all employees are corrected by a coefficient equal to the ratio between the resulting and calculated wage fund.

Article 30. The specific organization of wages and internal economic accountability in the foreign trade organizations is determined according to the rules approved by the economic council, and the Ministry of Foreign Trade, with the approval of the Ministry of Finances, the Committee for Labor and Wages and the Central Council of Bulgarian Trade Unions has issued instructions for this.

Additional Provisions

§1. (1) The organizational forms of foreign trade activities are determined in accord with the Regulation Governing the Basic Rights and Responsibilities of Economic Organizations (DURZHAVEN VESTNIK, No 51 of 1978) and by the Ordinance Governing Supply, Sales and Commercial Activities of Economic Organizations (DURZHAVEN VESTNIK, No 87 of 1978).

(2) The economic organizations and the foreign trade organizations which are directly subordinate to a ministry or other department can create

consortiums for the joint execution of individual major projects or types of foreign economic activities in a given nation or region.

§2. Overseas foreign trade activities are carried out by:

1. Commercial-technical, commercial, technical, service and other bureaus;
2. Overseas companies and firms;
3. Commercial workers sent for permanent employment in the corresponding country by foreign trade or economic organizations;
4. Commercial workers who are employed under the approved statute for traveling salesmen.

§3. (1) The opening of bureaus, the use of traveling salesmen and the sending of foreign trade workers abroad are permitted by the minister of foreign trade upon the proposal of the foreign trade and economic organizations with the preliminary approval by the leader of the appropriate ministry or other department.

(2) In nations where conditions do not exist for the support of representatives from the individual foreign trade organizations, with proven advisability, foreign trade workers can be appointed from the central staff of the Ministry of Foreign Trade, and these can serve several foreign trade organizations simultaneously, and their activities are also assessed according to the requirements of self-support.

§4. (1) Foreign trade activities abroad are directed and coordinated by the commercial and economic counsellor.

(2) The commercial and economic counsellor coordinates and controls all foreign trade activities of Bulgaria in the corresponding country and within the limit of the competence of the Ministry of Foreign Trade for carrying out foreign trade policy, and directs all foreign trade workers overseas regardless of the form of organizing their activities.

(3) The wages of the commercial and economic counsellor and his coworkers are set depending upon the aggregate results of the foreign trade operations in the corresponding country.

Appendix to Article 16, Paragraph 1
of the Ordinance

Plan for the Formation and Distribution of Total Income
in Foreign Trade Organizations

Indicators	Line No. Plan Report		
	2	3	4
I. Formation of Total Income			
1. Income--total (line 2 + line 3 + line 4 + line 5 + line 6)	1		
Including:			
a) Commissions on trade (according to contractual standards)	2		
b) Additional commissions from increased efficiency of trade	3		
c) Commissions for reexport, transit, multilateral and other specific operations	4		
d) Positive result from foreign trade operations at own expense	5		
e) Other income	6		
2. Expenditures--total (line 8 + line 9 + line 10 + line 11)	7		
Including:			
a) Material and other monetary expenditures (including leva equivalent of foreign exchange income abroad)	8		
b) Repaid funds of economic organizations due to deterioration of trade efficiency	9		
c) Negative result from foreign trade operations at own expense	10		
d) Other expenditures	11		
3. Total income (line 1 - line 7)	12		
II. Distribution of Total Income			
4. Compulsory requirements from total income (line 14 + line 15 + line 16)	13		
Including:			
a) Insurance on own property	14		
b) Interest on working capital credits	15		
c) Payments to fund for development of territorial units	16		
5. Total income for distribution in foreign trade organization (line 12 - line 13)	17		
6. Deductions for funds of foreign trade organization --total (line 19 + line 20 + line 21 + line 22)	18		

Indicators	Line		
	No.	Plan	Report
1	2	3	4
Including:			
a) RTU fund	19		
b) Reserve fund	20		
c) SBKM fund	21		
d) Foreign exchange fund	22		
7. Deductions for superior organization	23		
8. Balance for wages (line 12 - line 13 - line 18 - line 23)	24		
9. Untaxed minimum	25		
10. Difference (line 24 - line 25)	26		
Including for state budget	27		
11. Resulting wage fund (line 24 - line 27)	28		
III. Formation and Distribution of Profit			
12. Profit (line 12 - line 28)	29		
13. Distribution of profit--total (line 31 + line 32 + line 33 + line 34)	30		
Including:			
a) Payments to budget (line 27)	31		
b) Other compulsory payments (line 13)	32		
c) Deductions for money funds (line 18)	33		
d) Deductions for superior organization (line 23)	34		

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CSO: 2200

BULGARIA

DEPUTY MINISTER DWELLS ON DEVELOPMENT OF NONFERROUS METALLURGY

Sofia RUDNICHAR in Bulgarian 31 May 79 pp 1, 2

[Interview with Deputy Minister of Metallurgy and Mineral Resources Engineer Ivan Iliev, by representative of the editors of the newspaper RUDNICHAR (Miner) Stoyan Zarev: "Nonferrous Metallurgy Basis for the Country's Industrialization"]

[Text] Thirty-five years have passed since the victory of the socialist revolution in Bulgaria--years that have seen the upsurge of the entire national economy. For the occasion Stoyan Zarev, representative of RUDNICHAR's editorial board, met with Deputy Minister of Metallurgy and Mineral Resources Engineer Ivan Iliev and talked with him about the most characteristic aspects of the development and improvement of mining, concentration and nonferrous metallurgy during the years of the people's regime, about the main problems to be solved by the personnel in this sector in 1979-1980, and about some of the important problems connected with the decisions of the National Party Conference.

[Question] Comrade Iliev, this year our people will mark the 35th anniversary of the victory of the socialist revolution in Bulgaria. Will you be so kind on this occasion as to share with the readers of RUDNICHAR what sort of development and what progress, achievements and gains have been attained in mining, concentration and nonferrous metallurgy in our country during this period?

[Answer] From a historical viewpoint 35 years are quite a brief period. But in the economic development of our country and, in particular, of nonferrous metallurgy, this period is equal to an entire era.

The main task assigned by the party and government after the people's victory was industrialization of the country. To perform it, we set about building our own raw-materials base and creating our own nonferrous metallurgy.

The development of nonferrous metallurgy in Bulgaria is inseparably linked with the decisive, selfless and all-round help of the USSR. With the help

of Soviet specialists and with Soviet equipment a great many geological explorations were carried out, significant amounts of ore reserves were proved, and the basic capacity of the sector was built up.

A tremendous upsurge in the development of nonferrous metallurgy took place after the April (1956) plenum of the BCP Central Committee. The plenum created the party-political and economic conditions for a step-up in the sector's rate of development on a qualitatively new basis, viz., the comprehensive solution of problems from raw materials to finished products. The shape of nonferrous metallurgy changed radically. Modern mining and metallurgical combines were established in the place of the old mining enterprises and little factories with primitive technology.

In the 1955-1975 period the sector's fixed capital rose more than 4- or 5-fold, while the volume of industrial output in comparable prices as of 1 January 1971 increased over 7-fold. Our country became a front-ranker in Europe and in the world in per-capita extraction of absolute quantities of lead, zinc and copper.

In the area of mining, modern enterprises and combines such as "Gorubso" [Bulgarian-Soviet Ore Mining] MOK [copper concentration combine], "Burgas Copper Mines" MOK, "Medet" MOK, "Elatsite" MOK etc. have been established.

Some 83.7 percent of copper ores are now mined by the open-pit method. This makes it possible to use highly efficient machinery, realize great mine productivity, and organize the profitable utilization of ores from deposits with low metal content. This method will be expanded in the future with the opening up of the "Elatsite," "Asarel," "Tear Asen" and "Prokhorovo" deposits.

Ore concentration has developed simultaneously with ore extraction. Prior to 1944 the "Eliseyna," "Zlata," "Srednogorts1" and "Kurdzhali" concentration plants operated at minimum capacity. The great growth achieved in mining made it necessary to plan and construct a number of new concentration plants. The basic indices achieved in ore concentration (extraction of metals into concentrates of the same name and improvement in the quality of the extracted concentrates) are above the average world level for lead-zinc ores and at the average level for copper ores.

To maintain the growth achieved in concentration, it is envisaged that in the next few years the "Osogovo," "Elitsite" and "Asarel" plants, whose plans incorporate modern and highly productive equipment, will be put into operation.

The beginning of modern nonferrous metallurgy dates from 1955 with the coming on stream of the Kurdzhali OTBZ [Lead and Zinc Plant]. With the construction of the "D. Blagov" KTBM [Nonferrous Metals Combine] at Plovdiv, the metallurgical cycle in zinc and lead production was closed, and the complete and integrated utilization of the metals from the raw materials

was achieved. With the coming on stream of the "G. Danyanov" MDK [copper extraction combine] in Srednogie in 1959 our country joined the ranks of the producers of electrolytic copper. Years of rapid progress and new advances followed, as a result of which the average annual rate of growth of zinc and electrolytic copper extraction in the 1965-1978 period appreciably surpassed this index for the capitalist countries. Labor productivity more than quadrupled.

The metallurgical plants introduced new modern technologies and processes, developed by Bulgarian specialists, which interested a number of developed capitalist countries. The United States, Japan, Italy, Spain and other countries are now buying patents from us for reversible high-density copper electrolysis, for lead slag fuming with liquid fuel, for the reversible electrowinning of zinc etc.

The gains for the country from the development of the nonferrous metallurgy sector must be evaluated comprehensively. The metals produced (lead, zinc, copper) and certain rare and scattered elements made it possible to develop a number of basic sectors of the national economy such as machine-building, storage battery production, instrument manufacture, the cable industry, the electrical engineering industry, electronics. The development of nonferrous metallurgy has helped and is helping to solve the problem of the manpower employment rate and is contributing to the demographic development of the okrugs. Certain backward--primarily border--okrugs, such as Kurdzhali, Saulyan, Kyustendil etc., became regions with a flourishing industry based on nonferrous metallurgy. Thanks to nonferrous metallurgy, a number of settlements in Bulgaria, such as Madan, Rudozem, Ardino, Zlatograd, Madzharovo, Luki, Chiprovtsi, Malko Turnovo, Kurdzhali, Srednogie etc., have been built, provided with public services, and are developing.

[Question] Would you outline the main problems and tasks confronting the personnel of the sector in 1979-1980, which are decisive years for the Seventh Five-Year Plan, and the principal avenues and ways of accomplishing them?

[Answer] For fulfillment and overfulfillment of the production goals in the last years of the Seventh Five-Year Plan, the efforts of the personnel of this dynamic sector of ours will be directed mainly towards the immediate solution of the questions of efficient utilization of the means of livelihood, the objects of labor and live labor and towards raising the quality of the output produced. There are many problems and tasks which the personnel of the sector will solve and perform during these decisive 2 years. I cannot and need not speak about all of them. I should like to enumerate only the principal lines of development in 1979-1980.

What are they?

A further increase in output by building and putting into operation the new capacity of "Elatsite," "Elshitsa-2," "Lebnitsa"--zone II, "Tsar Asen," the

Shumen KOA [expansion unknown] etc., and the reconstruction, expansion and modernization of the mines of the first, fourth and fifth ore administrations of "Gorubso" [Bulgarian-Soviet Ore Mining] MOK [copper concentration combine], the "G. Danyanov" MDK [copper extraction combine]--1st stage, and the complete equipping of the "D. Ganev" KOTsM [Nonferrous metals processing combine] etc.

The introduction of a licensed drilling tool into mining enterprises and attainment of the conditions incorporated in the license.

The introduction of contour blasting in open-pit mining as a way to form and stabilize unworked ore banks in the "Medet" and "Elatsite" mines.

The introduction of advance operational exploration into open-pit mining for the purpose of more precise determination of metal content and more efficient mining management.

Improvement in techniques, flowsheets and processes in the mining, concentration and metallurgical processing of raw materials.

Increasing the comprehensive and thorough utilization of raw materials by increasing the extraction of the parent metal and accompanying metals, the use of waste products and changing over to waste-free techniques, the mastery of new products and items from the mined raw materials. In the next few years it is envisaged that 18 elements will be used from the processed lead-zinc and copper ores as against the 12 hitherto used.

The introduction of new, more productive equipment.

The introduction of effective measures of environmental protection through fuller utilization of waste gases, treatment of industrial water, introduction of recycled water supply, recultivation of violated terrain etc.

Improving the brigade organization of labor and introducing internal cost accounting in the brigades.

The fulfillment of these tasks will guarantee the successful conclusion of the Seventh Five-Year Plan and the implementation of the decisions of the National Party Conference.

[Question] In some enterprises the high-speed work method is still having difficulty in making headway, while in other enterprises the comprehensive method of the high-speed movement is not finding its due place. Although we have published quite a few articles in our newspaper about these questions, would you dwell on them once more?

[Answer] In the nationwide approach to achievement of high social productivity of labor and fulfillment of economic tasks the high-speed movement as a work method has a definite place in the forefront in mining enterprises.

In its development it has changed from a movement of scattered brigades and production pacemakers into a permanent work method for many mining brigades, for whole districts and mines. The high-speed movement now has a mass character and high and lasting year-round achievements.

The high-speed work method has been adopted in the mines of all mining enterprises, but due to the varying complexity of mining and geological conditions its relative importance is not the same everywhere. Thus, for example, in some mines of the Khr. Mikhaylov MOK, the Madzharovo DM [state mine] and V. Kolarov DM the work has petered out; whole blocks of ore, scattered ore bodies etc. are extracted where the high-speed work method cannot be employed since work is done with greater attention from the viewpoint of labor protection.

[Question] One of the important tasks stemming from the decisions of the National Party Conference is the introduction of internal cost accounting in the brigades. What, more specifically, has already been done and is about to be undertaken in the near future in this regard?

[Answer] The brigade organization of labor has been employed for years, but cost accounting in brigades has been employed only in mineworker brigades of "Gorubao" MOK, while its introduction in the "Burgas Copper Mines" MOK etc. has now just begun.

We have taken concrete measures for the employment of internal cost accounting in other enterprises as well. Temporary regulations have been approved for improvement of the collective forms of the organization of labor on the basis of cost accounting not only for mines and concentration plants, but also for metallurgy. A calendar timetable for the organized introduction of cost accounting unit by unit has also been approved. According to this schedule, cost accounting will be employed in all units by the end of September. We believe that cost accounting will be adopted in all collective forms of the organization of labor in the sector and that target dates on the schedule approved by the Ministry of Metallurgy and Mineral Resources will be observed.

[Question] A useful and effective initiative of the personnel of the "Dimitur Blagoev" KCM [nonferrous metals combine] in Plovdiv--"Optimally and Rhythmically"-- has not elicited the anticipated interest among the officials of the Ministry of Metallurgy and Mineral Resources. What intentions are there to give the "green light" to this initiative?

[Answer] Actually, this initiative has still not be introduced in units of the sector on a mass scale. We are going to hold a sectorial meeting this year for this purpose with economic and public activists on questions of socialist competition and progressive experience, at which specific measures for popularization of this initiative will be mapped out.

[Question] What has been done and what is going to be done about imbuing socialist competition with new meaning in keeping with the present-day demands for high efficiency in all activity?

[Answer] A good deal has been done by the governing body of our ministry and by the leadership of units for the development of socialist competition. In addition to the competition for banners of labor glory, which is held between the units and is reported on at the half-year, competition in the high-speed work movement has been organized between brigades, districts, mines and units, which is reported on every half-year, as well as competition in accident prevention and labor safety (reported on at the half-year), competition for the maximum cumulative effect of economic activity (report given for annual results), competition in social-welfare services (report given annually), and competition in rationalization and invention activity, which likewise is reported on annually.

Competition along these individual lines is of great importance for the character of production in this sector, for successful fulfillment of the enterprises' socioeconomic program. The proof of this is the results that they have achieved during the years of the Seventh Five-Year Plan and especially in 1978 when the counterplan was fulfilled and overfulfilled in respect of all indicators.

In fulfillment of the measures of the Secretariat of the BCP Central Committee and the Bureau of the BCP Central Committee, dated 2 November 1977, the systems employed for conducting and reporting on socialist competition between districts, workshops, factories and mines, as well as between brigades and individual workers and employees were updated in all units.

Now competition will be organized on the basis of fulfillment and overfulfillment not just of volume indicators, but primarily of quality indicators, and especially for the realization of savings of materials, energy and fuel.

For us socialist competition has no sporadic character, but is an established method and style in our everyday work with individual workers, specialists and collectives. These questions, just as hitherto, will be solved by the combined efforts of trade unions and managements under our party's leadership.

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CSO: 2200

BULGARIA

CONSTRUCTION TROOPS MUST RADICALLY IMPROVE THEIR WORK

Sofia TRUDOVO DELO in Bulgarian 1 Jun 79 p 1

[Article by Colonel Mincho Minev, deputy chief of Construction Troops: "Tasks Are Large-Scale; Their Performance Calls for New Criteria and an All-Round Approach"]

[Text] The sale of projects as the final result of our activity contributes most effectively to the country's socioeconomic development if it takes place within the time limits specified by the national economic plan.

The underway-projects assignment is explained. It is accepted by units quarter by quarter, month by month, 10-day period by 10-day period. Many organizational, party-political and other measures have been carried out for its implementation. At the largest and most important construction projects, engineering plans and comprehensive start-up programs have been worked out; resources have been budgeted for 100-percent coverage.

The most important condition for successful fulfillment of this assignment, made by Comrade Todor Zhivkov at the January conference, is the steady delivery of underway projects and the rapid achievement of rated capacity. That is why in our programs we have set ourselves the goal of achieving by the half-year 40 percent of the sales of the yearly program. These were also the instructions of the Ministry of Construction and Construction Materials.

During the past 4 months the personnel of the troops have worked hard and efficiently. The plan has been significantly exceeded volumewise by all units, with the prospect that they will wind up the half-year again with overfulfillment. Sales for the first quarter have been exceeded, but they represent barely 5 percent of the yearly goal.

A careful scrutiny of our underway-project work so far shows that this question is still not well understood or is underestimated by all unit commands. Weaknesses that have been mentioned many times and analyzed repeatedly continue to recur; instructions have also been given to concentrate all resources on the most important construction projects of the moment.

The plan has not been fulfilled volumewise for these projects by the units of officers Simeonov, Delchev and Dimitrov despite the fact that they have carried out their total volume plan over and above what was targeted. The schedule approved by the Ministry of Construction and Construction Materials for the delivery of individual capacity is not being adhered to. And this date schedule was suggested by the units themselves, adopted by the Main Administration of Construction Troops and approved by the ministry.

The plan is not being achieved at many underway projects during the second quarter, which confirms the conclusion that managements have not been supplied with sufficient resources and have not created the necessary organization for finishing and delivering them on the specified target dates. Such is the case with housing project No. 14 in Pravets, with the Commercial Equipment Plant in Breznik, with the "Druzhba" [Friendship] Housing Construction Cooperative in Pleven etc.

The work of units and investors is poor on the solution of questions regarding the delivery of equipment, timely provision of plans, estimates etc., as in the case of the Gunita Masses Workshop at Radomir, the Balkan United Plants in Lovech, the marble quarry at Malko Turnovo and the Kieselguhr Plant at Ignatievo.

We have not been sufficiently insistent with our foreign subcontractors for steady fulfillment of the project plan that they have accepted, at which projects we have created a work front, such as the "Oborishte" factory in Panagyurishte, construction projects in Kurdzhali and in Roman, and the foil workshop in Blagoevgrad. And thus a sale in the second quarter amounting to nearly 23 million leva is jeopardized.

The alarming situation that has been created made it necessary for leaders of the troops to hold an enlarged meeting of the Military Economic Council this month, with commanders and chief engineers of units participating. At the meeting a very thorough analysis of the state of underway projects was made, weaknesses were pointed out clearly, and the tasks on which efforts must be concentrated were outlined. The reports of the commanders evidenced great concern about this problem and showed as well the difficulties that are being encountered.

While the main and basic questions involved in start-up (the balancing of manpower, resources and mechanization) have been solved, in the final finishing-up phase many lapses occur--and, for the most part, in the socialist organization of labor at that. For no reason the target dates of trifling finishing-up jobs are stretched out and extended. More singleness of purpose must be created, and greater specificity put into the supervision of start-up projects by technical supervisors and by platoon commanders. Daily checking must be instituted for the purpose of decisively bettering and further improving the socialist organization of labor and strict observance of the technological sequence in finishing-up processes.

The fulfillment of the very large, important and strenuous start-up program -- 52 projects and 6 with partial start-up, such as KOA [expansion unknown] in Shumen, ZSTV [expansion unknown] at Roman, ZAO [expansion unknown] in Pleven, NIISOR [expansion unknown; a kind of scientific research institute] etc.--is in our hands. Implementation of the sales plan (70 million leva) is not only an economic task, but also an important political one. Its successful implementation depends on everybody--on headquarters, on unit leaders, on construction project crews, on all personnel.

There is only one alternative now: to fight steadfastly, every hour and every day, under the leadership of commanders and party organizations, for discipline and awareness, for steady fulfillment and overfulfillment of large-scale construction tasks, applying new criteria and requirements to evaluate the activity of every member of the military team.

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CSO: 2200

BULGARIA

NATIONAL CONFERENCE ON ROBOT DEVELOPMENT HELD, ACHIEVEMENTS OUTLINED

Sofia TEKHNICHESKO DELO in Bulgarian 2 Jun 79 pp 1, 3

[Article: "Robots '79"]

[Text] Under conditions of the rapid development of the scientific and technical revolution industrial robots are proving themselves more and more an effective means for the full automation of production processes. A national scientific and technical conference and exhibition with international participation, "Robots '79," that opened on 29 May in the city of Bulgarian robot builders--Stara Zagora, was devoted to problems related to their production and application. Participants in organizing the conference and exhibition were the Machine-Building Union, DKNTP [State Committee for Science and Technical Progress], the Ministry of Machine-Building, the "Berco" NPKR [Robot Scientific Production Combine], the Lenin VMET [Higher Machine-Electrical Institute] and the okrug council of the NTS [Scientific and Technical Union] in the city. With over 80 papers and 14 scientific communications scientists and specialists from our country, the USSR, Czechoslovakia, the GDR, Hungary, Poland, the FRG, Italy and the United States exchanged experience and information about important questions relating to the present and future of industrial robots.

Robotization a Strategic Line of Development

"The creation of industrial robots is not an end in itself for us," declared Toncho Chakurov, the minister of machine-building, chairman of the National Coordination Council and chief robotics designer of the Bulgarian People's Republic, at the grand opening of the national scientific and technical conference, "Robots '79," in the Stara Zagora Palace of Technology. Present in the hall were the chief of the Industry and Transport Department of the BCP Central Committee Stoyan Markov, deputy chief of the Science and Education Department of the BCP Central Committee Atanas Popov, the secretary of the BCP okrug committee in Stara Zagora Vasil Dyulgerov, the first deputy minister of electronics and electrical engineering Petur Kis'ov, the first deputy chairman of the DKNTP, senior science associate and candidate of technical sciences Angel Angelov, responsible state and economic leaders, and many specialists.

"Robotization is a necessary condition for raising the automation level of our industry, an effective means of upping the social productivity of labor," Comrade Toncho Chakurov continued. "Industrial robots will contribute to man's liberation from monotonous and exhausting physical activity and to the betterment of working conditions, and indirectly will contribute to his more harmonious development and existence."

Undoubtedly the increased intellectual potential of our people resulting from our party's policy, in combination with the utilization of world experience, is a firm prerequisite for the successful solution of robotics problems in our country. This was emphasized also in the opening address of the minister of machine-building. Attention was called to the necessity of extensive cooperation with the USSR and countries of the socialist community in order to solve this complex and difficult problem successfully.

Robotics a New Direction in the Scientific and Technical Revolution

In his speech to the 11th BCP Congress Comrade Todor Zhivkov assigned the task of turning the Seventh Five-Year Plan into a five-year plan of gradual transition from the types of production processes accomplished by individual machines and individual technological processes to production processes with mass utilization of highly efficient systems of machinery, equipment, instruments and manufacturing methods that make possible full mechanization and automation of production processes.

"But the introduction of full automation of production, the creation of such automatic lines and fully automated plants, is unthinkable without utilization of the modern achievements of robotics," the first deputy chairman of the DKNIP, senior science associate and candidate of technical sciences Angel Angelov emphasized in his speech. "In recent years all industrially developed countries have begun to earmark more and more resources for the automation of production processes. Robotics has already become a real production force."

He dwelt further on the application of robotics to various production processes, making an illustrative comparison with the development of robotics in one of the leading capitalist countries in this field--Japan. Whereas the Japanese used to import industrial robots, now they completely meet their own needs of them and export abroad. Today in Japan there are more than 120 producers of industrial robots. Of the industrial robots produced in Japan, 34 percent are destined for the automotive industry, 13 percent for the chemical industry, 10 percent for the electrical industry etc. In 1977 the employment of industrial robots for the performance of various types of operation was 39 percent of the "pick up and put down" type, 29 percent for conveyance, 15 percent for palletization, 2.5 percent each for welding and assembly, 7 percent for casting etc. A 70-percent increase in robot production was recorded in 1978 over 1977, and a growth 4 times as great as that in 1970 is envisaged in 1980. As for 1990, it is expected that several million robots will be introduced into production.

Trends in Modern Robot Construction

The creation of complex and improved general-purpose robots is a trend in robot construction which is backed by American scientists. They believe that one general-purpose robot with many degrees of freedom and a developed controller can be readily adapted to various places in production and large series production of it is a prerequisite for a low price. The Japanese trend is based on specialized robots--suited for a specific technological operation, minimum degrees of freedom for the purpose, minimum amount of electronics, little complexity and low price. The third and probably the soundest trend is towards the creation of a modular structure of industrial robots and automated systems. Modularity creates wide possibilities of adaptation to different production functions, but to be profitable it has to be employed on a very wide scale.

The question of the type of robot actuation is important, too. It has been found that in an ever larger percentage of robots there is a transition to electric actuation. Pneumatic actuation is employed more frequently in robots that handle comparatively light parts when explosion-proofness and high speeds are necessary. Electric actuation is necessary in handling parts of average weight, while hydraulic actuation is usually necessary for parts of greater weight.

In controls, a marked trend is noted towards a change from digital program controls to minicomputer and especially to microcomputer controls. Microprocessors, the basic element of this control, have been significantly improved in the past few years and their price has dropped nearly 30-fold.

The Future Belongs to Robots

There is hardly anybody any more who doubts this truth. We shall inevitably see robots employed more and more in the following:

Mechanized systems for metal-cutting machines that machine parts. In 1985 there will be 150,000 industrial robots in Japan included in various systems of metal-working machines, of which 100,000 will have flexible control;

Attendance of jet-molding machines in the processing of plastics. The industrial robot will not only extract the finished part from the machine, but will convey it for cooling, trimming, application of legends, and palletization. In view of the constant increase in the use of plastics in our country and the socialist countries, we can anticipate extremely great growth in the employment of industrial robots in the processing of plastics;

Application of coatings. The employment of industrial robots for the application of varnish coatings is still in the initial stage even on a world scale. In the world today about 1000 industrial robots are employed to apply such coatings. In our country a similar robot has been developed.

Identifying sensory systems are also being developed. All conditions are present for their adoption in industry;

In the area of welding. Today spot welds are practically the widest field of application for industrial robots. As for arc welds, difficult and serious requirements are set for industrial robots (necessity of following a continuous curve in space with high precision, necessity of accurate positioning, performance of oscillatory motions in order to fill up a seam on thicker parts, and the ability to adapt and follow irregularities over their surface).

The present and future application of industrial robots does not halt here. It is encountered besides in the attending of presses, in thermal treatment and in the performance of assembly operations.

Bulgaria and the Development of Robotics

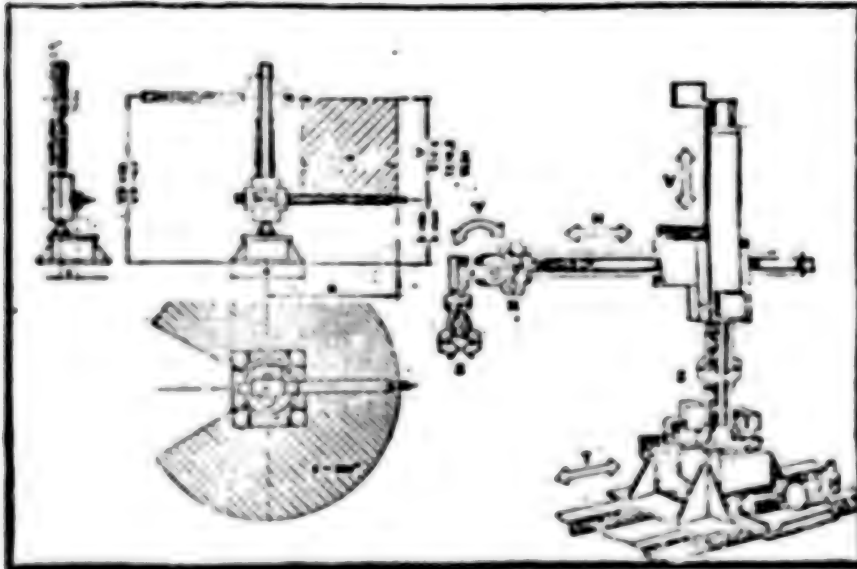
The Political Bureau of the BCP Central Committee correctly assesses the importance of robotics for our country's future development and at the July (1978) plenum of the BCP Central Committee robotics received the priority of a strategic area of technical progress.

The development of robotics in our country is coordinated in a national comprehensive program directed by the DKNTR. Special attention is given to the engineering activity involved in the introduction of industrial robots in industry. For this purpose, besides the normal contractual relations between producer and introducer, under the patronage of the DKNTP 11 standard robotized work places have been created where the advantages of robots are demonstrated.

Several types of robots are produced and are in the process of impending production in Bulgaria. They have aroused the interest of the specialists who have visited the "Robots '79" exhibition and become acquainted with the RB-110 of the "pick up and put down" type and with the RB-210 designed for the application of coats of paint and varnish, which successfully replaces people working under arduous conditions (dust, dangerously explosive environment, noxious fumes). The latest industrial robots of the "Beroe-231, 232, 233 and 234" series have been of special interest, of course. Production of these will begin this very year with technical assistance from the American firm AMF "Versatran." Constructed on the modular principle, these robots will be used to automate basic and auxiliary technological operations (loading of metal-cutting machines, forging and pressing operations, processes involving the processing of glass and plastics).

The new microprocessor control system of the industrial robots of the RB-230 series will no doubt contribute to their reliability and failure-free operation. The laboratory model of it attracted many visitors at the exhibition. This purely Bulgarian product will replace the original American apparatus and will be impressive for its good characteristics--a

higher degree of intelligence. As against the American apparatus's capability of writing a program of 30-50 points, the Bulgarian version can write up to 1500 points.



Among the latest models in the production range of Bulgarian robot construction are the industrial robots RB-232, RB-233 and RB-234, constructed on the modular principle with 2 to 7 independent motions according to their specific application. They are used to automate a number of basic and auxiliary operations, as for example the loading of metal-cutting and forge-and-press machines etc. The individual modifications differ only in the specific design of the gripping device, varying with their functional purpose. All motions have individual or servo control. Their ability to move over the floor, ceiling or portally increases the usability of work space and additionally increases their operational scope.

Other microprocessor controls at an up-to-date level are in the process of development in our country; adaptive robots using the "eye-hand-eye-hand" system are planned.

It is difficult to determine which of the lines of development at the "Robots '79" National Scientific and Technical Conference with its exceptionally rich subject fields is the most interesting or which of the papers arouses especially great interest of specialists. Perhaps those

treating the problems of "Optimal Synthesis of Structures," "Kinematic and Dynamic Stability" or "Building in an Artificial Intelligence"? And perhaps the questions involving the application of robots in the basic technological processes of machine-building, welding, interoperational conveyance? In all events, specialists will carry away much new knowledge and a conviction of the future of our Bulgarian robotics.

6474

CSO: 2200

EXPERIMENTING ENTERPRISE CRITICIZED FOR DEFICIT

Prague RUDE PRAVO in Czech 28 May 79 p 3

[Article by Pavel Stary, Staff, CPCZ Okres Committee; Frantisek Klement, CPCZ CV (Enterprise-Wide Committee) Pleas; Havlickuv Brod and Hana Krahulikova and Jan Jelinek, RUDE PRAVO Reporters on: "When Will Pleas Pay Off Its Debt?"]

[Text] By tradition our principal knitwear manufacturer is the Pleas enterprise whose main manufacturing facilities are located at Havlickuv Brod. The enterprise supplies not only the domestic market but is also an exporter to other socialist and many capitalist countries.

The rising requirements of its customers and increasingly ambitious production plans induced the economic management to apply in January 1978 for participation in the experiment in managing efficiency and quality of production. But the results achieved so far demonstrate that the new approach is not being implemented consistently and broadly enough. The consequences of the January power shortage have only aggravated several problems which the economic management and the party organization at the enterprise must deal with immediately especially because in all enterprises the production knitters not only failed to make up for this winter's production shortfall but increased its volume further from Kcs 7 to 11 million.

Even though last year the Pleas employees succeeded in fulfilling the principal indicators of the plan, they did not pay off the debt and failed to fulfill the production assortment and quality requirements, the market funds in retail prices and they lag behind in the introduction of innovative programs. Some products which the enterprise exports are still in short supply at home.

Are Supplier-Customer Relations the Impediment?

The comrades in the Pleas management cannot untie the resulting "Gordian knot" by themselves because the cause lies in poor management of supplier-customer relations by the general management of the CSR knitting industry and the general management of Slovchemia.

For example, Pleas is the biggest customer for DEXTEX 167 color rayon in the branch with a requirement of more than 300 tons a year which, however, it is not receiving. Foreign imports were stopped ever since the Slovensky hodvab Senica [Slovak Silk Senica] enterprise switched to producing rayon. But that enterprise still owes Pleas 17 tons of rayon from last year. Moreover, it produces grey undyed rayon which does not meet Pleas' needs.

Pleas also has difficulties with the supplier of worsted yarn, the Nejdek Spinning Mills; in addition, the Pleas knitwear dye works suffers from a shortage of high-quality domestic dyes. It seems like a vicious circle, of course only until the people from Havlickuv Brod uncover the causes of domestic bottlenecks and find a solution in self-help.

The Experiment Must Be Explained

Surely, the most effective and energetic approach is the implementation and improvement of all elements of the management experiment with the view of implementing a more efficient production organization. Political work among the masses of people should especially serve this purpose; but the factorywide committee of the party organization and some of its members still have not grasped the potential of this approach.

If all elements of the experiment are to penetrate into the consciousness of the working people and make them personally interested in their practical implementation, then advocacy is not enough; their tremendous economic gain must be brought home to them. And this is also what the people from Havlickuv Brod did in the first 6 months of last year at the economic aktiv, production conferences and CPCZ membership meetings. But it is obvious that personal persuasion by economic managers, especially those at lower management levels with the assistance of all communists, would have even greater weight.

For example, in this respect they have already gained good experience in the operation of the knitting mill. According to Ludmila Havrankova, the first foreman of the knitting mill, it is the political role of the shift foreman that needs to be emphasized. She said: Anything new being introduced encounters opposition. That was the case also with the introduction of the experiment. And some workers, out of ignorance, are afraid to be short-changed financially. In the knitting mill we have found support in party and trade union officials and in dedicated textile workers such as Marie Dockalova, Anezka Dubnova, Marta Melicharova, Marie Balounova, Eliska Jakslova and others. We inform people regularly about the results of the experiment and then they themselves participate in the fulfillment of the tasks, insist on economy and quality of production which they themselves oversee.

The Responsibility of Foremen

But in some Pleas workshops the role of foremen is somehow underrated. This concerns mainly readymade wear, where the foremen are primarily "green" graduates from trade schools. The girls do not possess enough practical or

political experience and know-how and are hardly able to responsibly lead a major collective of mostly older women. In addition, the turnover among them is excessive and they mostly do not return from maternity leaves to the difficult job of a foreman.

Therefore, the party and trade union organization, together with the management of the enterprise, will have to urgently appeal to the young workers with some practical experience to improve their qualification so that they can be counted on for responsible positions in the future. The experiment also calls for a bolder approach to developing worker initiative and higher forms of competing in comprehensive rationalization brigades. In this respect, for example, the spinning mill workers must improve their effort and deliver higher-quality yarn to the knitting mill to satisfy the fine mechanism of the machines. The knitters in their turn must operate and clean their machines meticulously. Garment workers then must be held responsible for the appearance and quality of the final product.

Looking For a Solution

The communists at Pleas are not satisfied with the difficult situation at their place of work. They are not looking for causes only outside the enterprise but are also questioning the inadequate utilization of their own reserves. They are already trying to improve some of the shortcomings.

To improve customer-supplier relations, for example, they sent their own workers to help Slovensky hodvab Senica accelerate deliveries of supplies of rayon to their enterprise. They have also made some progress in the implementation of rationalization measures: last year, for example, they saved a certain percentage of material expenditures. The quality of some products has improved, a fact which is borne out by the reduction in the number of complaints.

Brigades of socialist labor pledging to help fulfill this year's task play an important role in making up production shortfalls.

But the primary moving force in this effort must be the party organization led by the factorywide committee. In one of the more effective measures its members called on all economic managers, party, trade union and SVAZ [expansion unknown] officials to submit practical proposals on how to eliminate the production shortfall without undue alarm. Of course, eliminating shortcomings systematically when they first appear is much more effective.

To Win By Testing Human Potential

The question is how to proceed. First, the CPCZ CV will have to acquire better information on the activities of all six basic party organizations, coordinate them to assert the leadership role of the party in the enterprise and adopt a principled stand toward the economic management and its responsibility to fulfill the tasks assigned to it. At the same time, communists will have to be assigned more purposefully to shops where political work

among masses is not on a desirable level to strengthen the working class core of the party with young up-and-coming people. Party members and candidates must prove to their fellow workers by personal example that even seemingly unsurmountable difficulties can be faced and overcome by joint effort. Production conferences can achieve much in this respect. At such conferences for men who are communists should bring up specific production needs and listen to initiative ideas and proposals advanced by the people.

To deal with the production shortfall, the slow implementation of future progressive management methods and organization of labor, communists at the Pleas enterprise in Havlickuv Brod will have to make a greater effort. Only consistent and ready implementation of specific party resolutions will result in the honorable fulfillment of the tasks planned for the fourth year of the Sixth Five-Year Plan.

Will they succeed? Will they make up for the production shortfall by the end of July? They should be encouraged by the fact that while in January many enterprises in the republic have found themselves in the role of debtors, many have nevertheless already managed to pay off their debt.

To succeed, the textile workers from Havlickuv Brod will need to get more effective assistance from the CPCZ okres committee which should likewise immediately take energetic steps to mobilize all available reserves. The ongoing preparation for the renewal of party membership cards offers the best opportunity to this end.

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CSO: 2400

AGRICULTURAL TASKS, PROSPECTS DISCUSSED AT HAJDUBOSZORMENY MEETING

Budapest MAGYAR HIRLAP in Hungarian 8 Jun 79 p 1 WA

[Text] Topical issues concerning agricultural production, processing and distribution were discussed at a meeting held on 7 June in Hajduboszormeny. The meeting was attended by the deputy chiefs of councils of counties located east of the Danube, by heads of their departments of agriculture and food, secretaries of agricultural cooperatives operating in the area, and invited leaders of state and social organs, institutions, trusts and enterprises having nationwide authority. The meeting was also attended by Gyula Szeker, deputy premier of the Council of Ministers, Istvan Szabo, president of the National Council of Producer Cooperatives and Ervin Zsuffa, deputy department head of Central Committee of the MSZMP.

After an introduction by Pal Romany, minister of agriculture and food, a report was presented by Gabor Soos, state secretary of agriculture and food. He evaluated the efforts put forth in the interests of fulfillment of the 1979 plan, the situation which had developed in certain branches of agriculture. He emphasized that farms and enterprises had prepared well for this year's tasks in accordance with the needs of the national economy. Spring work was well organized and faithfully performed. Despite this the unfavorable weather of last fall and this spring, the delay of warmer weather, damage from ground water, the repeated cold waves and the exceptionally dry weather of May have caused problems. These are due to objective factors. However, it should not be forgotten that in several areas we are coping with avoidable difficulties rooted in subjective factors. In the given circumstances, it is extremely important that these should be overcome.

The state secretary went on to stress that solution of the problems calls for more systematic work: Tasks related to production, processing and distribution in the coming period must be defined precisely everywhere. Preparations for the harvest must be made more carefully than ever before so that everything that has grown will be harvested with a minimum of loss and put under safe cover as quickly as possible. A total of 15,000 combines are available to the farms. This will make it possible to complete the harvest within 18-20 working days. Since there are indications

that the harvest will start sooner than usual this year, preparations must begin right now. Since the last harvest, nearly 1,000 high-capacity combines which operate with a minimum of loss have been purchased and can be bought by the farms. They will be of great help in cutting losses.

Appropriate use of water for irrigation must become an organic part of improving production efficiency. If optimal use is made of irrigation capacity on the 450,000 hectares of land which can be irrigated, about 100,000-110,000 hectares can receive artificial precipitation per month. Furthermore, 60,000-70,000 hectares can be irrigated repeatedly. Irrigation equipment is in operation throughout the country and had been used on 60,000 hectares as of the end of May. Where this has not been done before and there is ample supply of water, the equipment is now being operated in double shifts.

In summarizing the tasks, the state secretary emphasized: sales and processing enterprises concerned with bulk buying must accept from the producers all products suitable for consumption and economical processing. The country expects the farms to retain only the most essential portion of their grain yields; the remainder should be available for public use. Heads of farms should make every effort so that the combined yield of cereals will not be less than planned for 1979 although a shortfall is expected in the case of eared grains.

After a closing speech by Pal Romany, the participants made a tour of the sunflower, wheat and corn fields of the local Voros Csillag and Beke producer cooperatives as well as the adjacent pasture lands which were being sprinkled.

CSO: 2500

RAINFALL IMPROVES HARVEST OUTLOOK

Scattered Showers, Thunderstorms

Budapest NEPSZABADSAG in Hungarian 13 Jun 79 p 9 WA

[Text] Although there has been no substantial change in the weather, parts of the country, with the exception of the northeastern section, have received some precipitation. Sustained rainfall has still to come, because what has fallen has been in the form of showers and thunderstorms so that 15-20 millimeters have fallen only in the path of the storms. So far there has been no rain in Bekes, Borsod, Szabolcs-Szatmar and Hajdu-Bihar counties. In the neighboring county of Heves, between 2-20 millimeters were measured.

Since the first of May, 74 millimeters of rain have fallen in the vicinity of the Transdanubian town of Zalaegerszeg; of this, 56 millimeters fell this week, in the course of a few hours. Storms in Somogy County delivered an average of 10-20 millimeters of precipitation. Vas County received 5-25 millimeters; Pest County, 12-20 millimeters.

Field Surveys, Harvest Plans

Budapest MAGYAR HIRLAP in Hungarian 16 Jun 79 p 11 WA

[Text] Following the rainfall of the past few days, agronomists have been inspecting the fields to determine what effect the rain has had on the vegetation and to decide the sequence of work. Those in Csongrad County have established that the 20-25 millimeters of rain which have fallen after one and a half months of drought are chiefly spurring the development of the 90,000 hectares of corn, the 5,000 hectares of potatoes and also the sugar beets. However, the condition of wheat has also been improved greatly. Bread grain harvesting will begin four or five days later than planned a week ago, but this is a cause for rejoicing rather than regret. This is because the danger of all varieties ripening simultaneously has definitely been averted.

Harvest prospects have improved greatly in Zala, too. The three rainfalls of this week have been of immeasurable benefit to the farms. In some places they exceeded 70 millimeters. Agronomists believe that rainfall came in time to improve kernel development in this region, too. It promoted

growth and revived corn; this crop has grown 20 centimeters since the beginning of the week. Alfalfa fields have turned green after cutting and growth of new shoots has begun. Harvesting of winter barley began in Tolna County on 15 June. Heat and dry weather brought grains to premature ripening here as elsewhere. Work had hardly begun when it was interrupted by a prolonged shower. Only 5 hectares were threshed. However, the rain was welcome throughout the county, because it was felt that it was still in time to improve the condition of bread grains as well as row crops.

CSO: 2500

POLAND

BRIEFS

ROBOT PRODUCTION UNDER SWEDISH LICENSE--An industrial robot is being produced in Poland under license from the Swedish firm ASEA. The manufacturer is MERA-PIAP Industrial Institute, Warsaw, and the exporter is METRONEX Foreign Trade Agency. [Excerpts] [East Berlin MESSEN STEUERN REGELN in German Vol 22 No 4, Apr 79 p 232]

CSO: 2300

IMPLEMENTATION OF NEW ECONOMIC MECHANISM ASSESSED

Bucharest SCINTEIA in Romanian 6 Jun 79 p 4

[Article by Prof Mihai Paroluta]

[Text] The measures included in the Decision of the Plenary Session of the CCRCP (Central Committee of the RCP) of March 1978, regarding improvements in economic-financial management and planning, are being successfully fulfilled. In the intervening time of nearly one year, a broad, comprehensive range of regulations have been legislated regarding the operation of the new economic-financial mechanism. Foremost among this legislation have been the Law for Organizing and Managing Economic Units; the Law Concerning the Composition, Planning, Destination, and Disbursement of Profits; a modification of the Law for Remuneration According to Quality and Quantity of Work; as well as some decrees covering the release and control of remuneration funds as a function of the value of net production, and the stimulation of production for exports through profits. Three other laws, which are also extremely important to the application of the new economic-financial mechanism, will be brought up for discussion by the Grand National Assembly: the Law Regarding Romania's Planned Socioeconomic Development, the Law on Finances, and the Law on Economic Contracts; this will complete the major actions for regulating the application of the measures adopted by the Plenary Session of the CCRCP held in March 1978.

These measures have substantially improved the system of organization and management of economic activities, as established by the National Conference of the Party of 1976; they have eliminated a large portion of this system's elements which had slowed down the progress of society; created the premises necessary to resolve the contradiction which in recent years had arisen between a democratic organizational framework and an overly centralized, rigid economic mechanism; and assured the establishment on scientific foundations, of all planned management of the national economy. We consequently have at present an economic-financial mechanism appropriate to the current stage in the building of the multilaterally developed socialist society, and capable of creating a powerful assertion of the qualitative,

efficient aspects of economic development, an intensive utilization of productive potentials, a substantial improvement in the exploitation of raw materials, and an extensive promotion of technologic progress.

What are the major directions in which action has been and is being taken, in the light of the Decision of the Plenary Session of the CCKCP of March 1978, to perfect the management and planning of the National economy?

First and Foremost, Efficiency Indicators

To begin with, it should be pointed out that economic-financial indicators have been realigned, placing in the forefront those indicators which express the qualitative, efficiency aspects of economic activities, and which more accurately measure the effective contribution of each work collective to the creation of the national income. As an example, the basic indicator used to calculate and release the remuneration fund has become the "net production" indicator, which represents the newly created value in the productive activity of each economic unit; overall production, as a quantitative indicator, is used only in the statistical records system, to determine the rate of development of the national economy. Although the introduction of net production as a basic indicator is only recent (in industry since the second quarter of last year, and throughout the economy since the beginning of this year), its advantages are already obvious: at the level of economic units it is equivalent to the national income, since it accurately measures the contribution of each unit to the production of the national income; it places specialization and economic cooperation on economic principles; it orients the efforts of enterprises toward the production of goods which require low consumption, make best use of resources, and fully utilize production capabilities; encourages workers' collectives to reduce the costs of production, and especially material costs; maximizes profits; assures that the remuneration fund is used in strict accordance with newly created values; and cannot be falsified, misrepresented, or inflated in any manner. The introduction of this indicator has played a determining role in strongly reducing production costs, and primarily material costs; in 1978, for the first time during the years of the building of socialism, the rate of growth of net production values (9.3 percent) has been higher than the rate of growth of the total production (9.1 percent) a trend which has also been maintained during the first quarter of this year.

To be sure, the net production indicator is not a perfect one -- such indicators have not yet been devised by the science of economics -- but some of its shortcomings such as specialization and cooperation in production, or some pressures on prices for exaggerated profits, can be avoided and eliminated through planning, through the use of other indicators such as labor productivity and valorification indicators, and through a systematic control of price policy.

The fulfillment of the net production plan is one of the primary goals of workers' councils, and a task of high responsibility for the managements of enterprises, centrals, and ministries; it is this objective that the

secretary general of the party had in mind at the recent workshop of the CCHCP, when he pointed out the imperative need to immediately mobilize for this purpose, all the internal reserves available in each unit. He especially stressed the need for a sustained daily activity in each unit, to significantly reduce production costs in general, and material costs in particular, to establish an elevated spirit of order and discipline, and to eradicate all occurrences of waste and poor management.

The new economic-financial mechanism devotes much greater importance than before to the extensive use of physical indicators, which are used to establish the tasks of production, investments, and foreign trade, and to promote technologic progress. At the same time, this mechanism has heightened the role and importance of indicators which express economic efficiency, such as: net production per 1000 lei of fixed assets; costs per 1000 lei of goods, total, and material production; profits per 1000 lei of fixed assets; and so on. Experience has shown that all these indicators constitute powerful instruments for stimulating and orienting production toward the intensive factors of development.

Improved Scientific Foundations in Planning Activities

In terms of planning activities -- another essential aspect of the new economic-financial mechanism -- the intent has been to create better scientific foundations for five-year and annual plans, for long range forecasts, and for special programs, and to constantly improve the forms and methods of organization and management by combining the economic-financial autonomy of each enterprise with a uniform management, on the basis of a single national plan. Accordingly, priority has been assigned to the formulation of the plan draft at the level of the lower links in the chain, in a form that approaches the final format as closely as possible. In this new approach, the workers in all units participate directly in the formulation of the plan, and in discussions and solutions of all the problems raised by the plan, thereby demonstrating the democratic nature of planning. This has also increased the role and tasks of general assemblies of workers and of workers' councils in planning activities, in assuring the conditions necessary for fulfilling and surpassing the plan, in mobilizing internal resources, and in increasing economic efficiency.

A new element in the planning activity is the fact that enterprises and centrals formulate their plan drafts, not on the basis of detailed tasks received from higher jurisdictions, as was the case in the past, but rather on the basis of the plan's guideline and regulatory levels, through which these higher jurisdictions seek to include the plan proposals of units into the balance and general options of the development of the national economy. A certain amount of experience has already been gathered in this respect during the formulation of this year's plan, as well as during the preparation of the plan proposals for 1980. The plan proposals for the 1981-1985 five-year plan are also being formulated according to this new method.

As part of the measures taken to perfect the planning mechanism, economic contracts as planning instruments have also acquired a greater role. Accordingly, planning activities, both in production and sales, are based on economic contracts, and all production which is not based on a contract is forbidden, both for domestic and foreign markets. Of course, contracts by themselves do not automatically solve the problem of sales; in order for contracts to really become instruments for accelerated production, all contracted products must necessarily be manufactured within the technico-economic parameters stipulated in the contracts. This is the matter which the secretary general of the party mentioned in his recent speech, asking the collectives of enterprises to constantly be concerned with a systematic improvement in product quality and with stricter technical quality control.

One of the measures established by the Plenary Session of the CCRC of March 1978 has been the improvement of the financial mechanism through the organization of all enterprise activities on strictly economic principles; particularly important in this respect has been the introduction of income and expense budgets as a basic instrument in the management of financial activities, in analysis and control, in assuring the financial balance of enterprises, or in one word, in achieving economic self-management. The dynamics of income and expense budgets reflect as a mirror, all the activities of workers' councils and of collective management organs, and the manner in which these groups fulfill their tasks in efficiently managing the funds available to them.

It should be emphasized that the replacement of the financial plan which was used by economic units until the new economic-financial mechanism was applied through income and expense budgets, is not a simple change in terminology, but rather an essential modification, a qualitative movement toward the establishment of all unit activities on economic criteria. Whereas the financial plan was merely a passive record of the financial results derived from the pursuit of the economic plans of units, the budgets of income and expense are formulated concurrently with plan proposals; this makes it possible to establish a financial balance between income and expenses at the time the plan is conceived, and to assure from a unit's own activities both the financial means necessary to conduct and develop production, and a monitoring of efficiency indicators. The introduction of income and expense budgets makes it possible to shift the management of major funds toward those who directly produce the material goods, to assure a strict order in the management of funds, and to increase the responsibility of collective organs for improving the economic efficiency of economic units in all possible ways.

An important role in the improvement of the financial mechanism has been played by the Law Concerning the Composition, Planning, Destination, and Disbursement of Profits. The new element introduced by this law is an expansion of material vested interests through a redistribution to producers

of the newly created income, on one hand in the form of direct participation in profits as a function of every worker's seniority and contribution to an enterprise's development, and on the other hand in the form of the social remuneration which workers receive through social funds.

The introduction of the new economic-financial mechanism has sought to create a vested interest, both for production units and for their working personnel, in fulfilling export tasks, in improving the competitiveness of products on international markets, and in stimulating exports and their efficiency. To this end, measures have been adopted to produce the goods destined for exportation, and to establish units that specialize in production for exportation. At the same time, this assures proportionately higher profits and benefits as a function of the importance of the exported product, of the possibilities for its production and sale on foreign markets, of the exportation efficiency, and so on.

Strong Assertion of Workers' Democracy

An essential aspect of the new economic-financial mechanism is a considerable expansion of the workers' democracy, and a stronger assertion of the principle of self-management through the plenary exercise of the workers' rights to participate in the management of production and to make decisions in all sectors of economic and social life.

It is well known that our society has available at all organizational levels and stages, a new type of appropriate organizational framework for asserting socialist democracy, and an extensive system through which the workers themselves can manage socioeconomic activities. The workers' self-management is an important form for applying the principle of democratic centralism in accordance with current conditions, and a forward step in combining a uniform, centralized management with the development of the functions and responsibilities of workers' collectives at the level of basic units. It includes the totality of forms and methods of collective management and decision-making at the level of economic units, placing its imprint on all aspects of economic management and on all the functions of economic units. Under worker self-management, changes are also made in the manner in which economic management is conducted, with economic management being transformed into self-management.

The experience gained so far, although still in the process of being gathered, shows that the exemplary application of the measures taken to improve economic-financial management and planning require that workers' councils conduct their activities so as to assure an improvement in the quality of decisions. It is consequently necessary to have an exact knowledge of facts, to soundly and comprehensively analyze the problems to be discussed and submitted for decision, to have an effective, correct, and accurate knowledge of the manner in which the plan is being fulfilled, and to increase the degree of participation of all members of workers' councils in the discussion of problems and in the taking and execution of decisions.

Summarizing the above, it can be said that the essence of the new economic-financial mechanism consists of raising the qualitative level of the work of all personnel in the economy, and of increasing the responsibility of collective management organs -- from enterprises up to ministries -- so that workers' collectives will have but one constant concern: to produce better, less expensive goods at a higher technologic and qualitative level, to rapidly increase the national income, and to obtain maximum efficiency in production, for the good of the national economy and of their own well-being.

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CSO: 2700

KOSOVO ASSEMBLY ORGANS DISCUSS UNDEVELOPED OPSTINAS, MILITARY SCHOOLING

Pristina JEDINSTVO in Serbo-Croatian 14 Jun 79 p 3

[Excerpts] At a meeting on 13 June members of the commission for socio-economic development in the Kosovo Assembly examined an assessment by the Provincial Bureau for Social Planning regarding development of the underdeveloped opstinas in the province. It was concluded that their economic development is lagging considerably behind the plan and that the number of such opstinas are even increasing (these are opstinas whose relative coefficient is two-thirds below the province's average).

In addition to subjective and objective weaknesses which contributed to this lag, resources from the Provincial Fund for Developing Inadequately-Developed Opstinas have not been sufficient for their economy and social development, so it was said that the resources of large organizations of associated work, self-management interest communities, and banks are being committed to this.

To eliminate the weaknesses, it was said that the undeveloped opstinas are expected to develop more rapidly this year through the engagement of all factors in associated work, in certain specified opstinas, and in the Province to the end of this 5-year plan period.

Also, delegates of the council for the sociopolitical system within the Social-Political Chamber at this meeting examined and accepted an analysis on the training and schooling of cadres from Kosovo to meet the needs of the SFRY armed forces and the need for cadres in the national defense organs.

Results have been achieved in the last few years, it was said, in improving the cadre staff structure in the armed forces in regard to nationality and qualifications, especially regarding cadres of Albanian nationality. But large tasks remain in improving the personnel structure, proceeding, first of all, from the more realistic and long-term planning for cadres in the army. In line with this will be the adaptation of the school system, both intermediate and higher level, and the possible opening of new forms of education in the province which would serve as preparation for further schooling in military academies. Many questions were examined in connection with further orienting young people from Kosovo toward military professions.

CSO: 2800

KOSOVO DELEGATES DISPUTE CAUSES OF ECONOMIC ILLS

Belgrade BORBA in Serbo-Croatian 13 Jun 79 p 2

[Article by Murteza Daci]

[Text] Recently the delegates of the Kosovo Assembly were nearly ready to declare the lack of confidence in the provincial executive council.

The general debate recently held by delegates in the Socio-Political Council with representatives of the Executive Council of the Kosovo Assembly will be recorded by chroniclers as the moment when the Kosovo government was nearly asked to resign! In many things the delegates did not agree with the opinions of members of the Executive Council and the director of the provincial institute for social planning, Ismet Gusija, who on that day at a joint session of all three councils presented the introductory paper on economic problems and the nonfulfillment of plan objectives for the development of Kosovo in the first months of this year. In general, that was the most urgent question discussed by all the agencies, and particularly in the associated labor agency and the League of Communists of Kosovo.

Delegates Dr Esat Stavileci, Milos Dzudovic, Fazli Kajtazi, Avdi Bakali, Kacusa Jasari, Sami Hodza, Avdula Hodza, and others in the Socio-Political Council did not agree with all the statements concerning the causes for economic lags that were expressed by Ismet Gusija in the name of the Executive Council. In the debate it was stated that the statements were prepared in offices, without sufficient consideration of the actual objective and subjective circumstances that had led the Kosovo economy into a difficult position and brought losses in the first quarter of this year.

The Delegate as Representative: In His Own Name

Special criticism was directed at the Executive Council for giving the delegates the document "An Evaluation of Economic Trends, Directions of Development and Measures for Implementing the Resolution on Development for This Year," just before the beginning of the session. That established a

precedent in the work of the delegate assembly, for a delegate is not the same thing as a representative or a committee member. He cannot speak only in his own name, but must express the opinion of his constituents. Regarding measures for stabilization, not a single delegate was able to consult his constituency. The attitude was best stated by Veselj Morina from Trepca, a delegate to the Council for Associated Labor:

"Concerning all these very important questions of economic stabilization, I can speak only in my own name. I have not had an opportunity to consult my constituency, so that I could say what they think at this session."

"The status of the economy should be presented to us delegates just as it is, and then it would be easier to determine the degree of blame of each individual or agency, or on the other hand, our blame in various forums if we had not been sufficiently energetic in establishing policy," stated Vahide Hodza, stressing that particular attention should be directed at those leaders who are responsible for the present state of the economy.

It is also unacceptable for the responsibility for difficulties in the economy due to shortcomings in a person's work to be attributed to others. A way out is frequently sought via the broader social community for the resolution of various problems and situations. This approach was discerned in the introductory speech at the Kosovo Assembly by Gusija.

In the struggle for developing the delegate system in making decisions and administration, it is essential that the working people give the most comprehensive attention possible to problems, so that they can be overcome more easily. In environments where this is not the case, it is impossible to resolve questions of socioeconomic development and the position of individuals, and this situation eliminates the working class and working people from the decision-making process. Such behavior contradicts the nature of the delegate system, and of self-management, and apparently this behavior does not lead the mobilization of the working class in the struggle for stabilization. On the contrary, the workers are led into a situation where they are observers of events that develop without their involvement. Their participation is not assured in all those instances where decisions are being made on crucial interests and needs.

The fundamental weakness, which is slow to overcome, lies in the fact that in all environments an organized and permanent foundation has not been established for community assemblies and the delegates of which they are composed, with constituent and self-management bases. That is one of the essential reasons for the fact that all authentic interests of the working class and other working people, citizens, and their self-management organizations and communities, are not always presented. This is particularly true in the process of preparation and passing individual laws and resolutions, where there still remains a great deal of formalism.

Like a Voting Machine

Special difficulties in the development of delegate relationships in the Kosovo Assembly are presented by the practice of resolving a number of questions at the same time. The agenda of a single session may contain as many as 30 items. Naturally, under such circumstances no debate at all is carried out regarding most of the items on the agenda, while the delegates are turned into voting machines that formally approve resolutions and laws that have been prepared at other places, primarily in special government offices.

Although the Council for Associated Labor must establish itself more as the place where the interests of organizations of associated labor are coordinated with other self-management organizations and communities, no effective participation by associated labor has yet been assured in the decision-making process regarding all social questions, especially those that are directly related to associated labor. Therefore, it is essential to establish permanent communications between the delegates and their constituencies.

Then it certainly will not reach the point where in the Council for Associated Labor, when the debate touches on economic trends, only one delegate will take part in the debate, the direct producer Veselj Morina from "Trepca," who was speaking only for himself, as happened at the past session of this council.

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CSO: 2800

CROATIA, BOSNIA-HERCEGOVINA HOLD TALKS ON ECONOMIC COOPERATION

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 5 Jun 79 p 1

[Excerpts] Representatives of the republic economic chambers of Bosnia-Hercegovina (led by Stanko Tomic) and Croatia (led by Milan Rukavina-Sain) recently met for 2 days in Stojcevac near Sarajevo to exchange experiences on economic cooperation. Directors of large economic organizations in the two republics also attended.

They examined cooperation aimed toward fulfilling the agreement on developing certain economic sectors especially in ferrous metallurgy, metal processing, machine building, the electrical appliance and chemical industries, and in the development of electric power.

Stanko Tomic, president of the economic chamber of the republic of Bosnia-Hercegovina, pointed to this republic's interest, as one of the undeveloped republics, in successful cooperation with other, especially developed, republics such as Croatia. Especially worrying is Bosnia-Hercegovina's unfavorable production structure. Namely, as is known, basic industry predominates in Bosnia-Hercegovina, while during inflationary movements this part of associated labor [i.e., the economy] finds steady operation very difficult, especially in achieving the planned policy of development in regard to prices of its products; these are largely under controls and increase more slowly than in the manufacturing sector of the economy where prices are largely formed on the basis of supply and demand.

Thus, there is marked lagging in the development of Bosnia-Hercegovina despite the efforts of society to gradually lead this undeveloped area to the [national] average. Tomic said that 55 of the 109 opstinas in this republic are 70 percent below the average development of the republic and 25 opstinas are 50 percent below this average.

Milan Rukavina-Sain acquainted the business people of Bosnia-Hercegovina with current economic questions in Croatia, where agreements have recently been signed on the development of energy, the highway system investments in the railroads, water management, and in undeveloped opstinas. Rukavina said most work organizations signed these agreements and they are being fulfilled. About 80 billion dinars, representing 63 percent of total capital accumulation in Croatia, have been invested in developing these economic areas.

CSO: 2800

YUGOSLAVIA

BRIEFS

LEAD, ZINC, ANTIMONY OUTPUT LAG--In the first 5 months of this year 1.77 million tons of lead and zinc ore was produced, or 8 percent more than in the same 1978 period. The largest production increases were the 36-percent increase at the Brskova mines in Mojkovac and the 24-percent increase at the Trepca mining-metallurgical-chemical combine in Kosovska Mitrovica. In the January-May period the Zajaca mine and foundry enterprise in Loznica produced 35,600 tons of antimony ore, or 6 percent less than in the first 5 months of last year. Also, 48,300 tons of refined lead was produced, or 3 percent less than in the same 1978 period. Zinc metal production of 40,600 tons was 1 percent more than that in the same 1978 period. In the first 5 months of this year only 966 tons of antimony was produced or 28 percent less than in the same 1978 period. Cadmium and bismuth production, however, has considerably exceeded the plans in this 5-month period. [Excerpts] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 22 Jun 79 p 2]

DATA ON RAILROADS--In 1975 Yugoslav railroads transported 130 million passengers, but 3 years later only about 113 million, or 13 percent less. In 1975 Yugoslavia had a total of 10,319 km of track, including 9,353 km of normal gauge and 966 km of narrow gauge. Three years later it had 9,771 km of track, including 9,624 km of normal track and 147 km of narrow-gauge track. Of the approximately 10,000 km of railroads, 32 percent are electrified. There are over 1,500 locomotives, about 59 percent of which are electric, and 32 percent diesel, and 9 percent steam locomotives; in 1966 and 85 percent were steam locomotives. Last year the Yugoslav railroads had a total of 3,272 passenger coach cars, and 49,265 freight cars with a carrying capacity of 1,817,000 tons. There are 9.8 railroad seats per 1,000 inhabitants. A passenger car is out of service an average of 7 times a year, twice that of some other European railroads, and freight cars 3.5 times a year, so that 9 percent of our cars are out of service for repair, on the average, per day. [Excerpts] [Belgrade RAD in Serbo-Croatian 15 Jun 79 p 15]

BAE PORT ACTIVITY--Despite the fact that the earthquake on 15 April destroyed one-third of the port's 4.5 million ton handling capacity, in the last 2 months about 80 ships, including those of 17 foreign companies, entered the port. On 18 June, for instance, the unloading of the "Karisl", the

largest ship ever docked in this port, is expected to be completed. This ship, carrying 55,000 tons of corn, was unloaded in a record time of 3,000 tons a day. A third shift has been introduced at the port. In the next 2 months we expect to unload a large ship with iron ore for Smederevo and a ship with corn, said Budimir Vukcevic, deputy director general of the port operations. The reloading plan for the first 4 months is 17 percent more than last year; 438,000 tons of goods have been handled thus far this year, including 99,000 tons in April alone, while 45,000 tons or almost one-half the monthly amount handled was accomplished from 15 April to 30 May. [Excerpts] [Belgrade BORBA in Serbo-Croatian 19 Jun 79 p 4] After the catastrophic earthquake which destroyed two-thirds of its wharves, storage areas, equipment and infrastructure, loading at the port of Bar is proceeding faster and better than ever. In May a record of over 95,000 tons was handled. The British ship "Karisle" carrying 55,000 tons of corn was recently unloaded and an aid-shipment of 5,500 tons of lumber from the USSR to the Montenegrin coast is being unloaded. A 170,000 DWT ship, the largest to be serviced at the port, is expected about 1 July, carrying 56,000 tons of iron ore. It is expected to be unloaded in 4 to 5 days, after which another large ship carrying corn will dock at Bar. About 10 July the first ships loaded with bauxite and alumina for export will be loaded on the southern side of Sluice II, the largest and most damaged now under repair. [Excerpts] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 27 Jun 79 p 16]

OIL SAVING ESTIMATE--Thermal electric power plants based on liquid fuels accounted for 5.9 percent of total electric power production last year and consumed 752,000 tons of mazut which is about 5 percent of total oil consumption in the country. The medium-term plan has called for the consumption of 4.5 billion tons of mazut this year and only about 5 million tons next year. It is estimated that between 500,000 and 600,000 tons of mazut could be saved annually if these power plants were used as reserve, i.e., only when drought reduced the water level in storage lakes. If one considers that this would save about 1.16 billion dinars annually on oil imports, and if one adds to this the 450 million dinars (300,000 tons) saved in gasoline from the [present] restrictions on the use of passenger vehicles, and [savings from] a more rational consumption of liquid fuels in electric power plants, boiler rooms, and heating plants based on gas and coal, one could save about 2 billion dinars a year. [Excerpts] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 4 Jun 79 p 3]

KOSOVO LOAN--According to a draft law, Kosovo will offer subscriptions to a 500,000,000-dinar loan for stabilizing and developing the Kosovo economy. The loan will be underwritten by working people and citizens, organizations of associated work, communities, sociopolitical and other organizations. The average rate of growth for economic investments in the last 3 years in Kosovo was 6.2 percent or about 43 percent below the average for the country and about 76 percent below the planned rate. [Excerpts] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 29 Jun 79 p 3]

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